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C O N F I D E N T I A L SECTION 01 OF 03 ISLAMABAD 000013

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TAGS: [PGOV](#) [PK](#) [PREL](#) [ECON](#) [EAID](#) [PREF](#)

SUBJECT: PROPOSALS FOR EXPEDITED DEVELOPMENT IN PAKISTAN'S
FATA AND BORDER AREAS

REF: A. A. ISLAMABAD 0006

[1](#)B. B. ISLAMABAD 0011

Classified By: ANNE W. PATTERSON, REASONS 1.4 (B), (D)

[1](#)1. (C) Summary: As instructed by Principals December 28, this cable outlines proposals to enhance and expedite military and development projects for Pakistan's Federally Administered Tribal Areas (FATA) and adjacent Pakistan-Afghan border areas. These include projects with the Pakistan military, Reconstruction Opportunity Zones (ROZs), USAID projects in education, health, and job generation, assistance to Afghan refugees, and expansion of public diplomacy that includes ideas such as Pashto-language radio programs. These proposals will require additional USG funding, personnel and back-up in Washington. End summary.

[1](#)2. (C) Mission Pakistan has begun to implement projects under the U.S. five-year \$750 million FATA development program which mirrors the GOP's nine-year \$2 million FATA development program. Our main challenges are lack of security in the tribal areas, historic opposition to outside influence, and the capability of our Pakistani partners.

Military Assistance Programs:

[1](#)3. (C) U.S. military assistance programs for the FATA include using DOD and INL monies to provide training and equipment to the Frontier Corps, Frontier Constabulary and the local tribal levies. DOD also funds training for the Pakistan Army's special forces.

- Proposals for approval/action:

(a) A high level U.S. military official to visit Pakistan soonest to meet with COAS General Kayani and other military and security officials to reassure them of continued USG support while seeking a strong GOP commitment to re-focus on the fight against extremist militants. There is great anxiety in the GOP over media and other statements in the U.S. about instability here following Benazir Bhutto's death; senior USG officials can assure GOP leaders our support remains steadfast but is not limitless, and that we expect them to be responsible and responsive to our concerns in the months to come.

(b) Approve reprogramming \$75 million of FY08 DOD O&M funding to section 1206 authorization to train and equip the NWFP Frontier Corps. Pak 11th Corps Commander has agreed to

provide the DCM and other Embassy staff full access to Swat; it is therefore even more urgent that we act expeditiously to take advantage of this opportunity.

(c) Accelerate use of DOD humanitarian assistance funds to reestablish civil governance functions in Swat, a district in the Northwest Frontier Province where the Army has been battling militants of Maulana Fazullah. (See reftel B.)

(d) Double IMET and counter-terrorism fellowship funding. We await a Washington determination on whether Musharraf's retirement as Chief of Army Staff removes the necessity of a coup waiver; delays in implementation of the waiver have negatively affected the IMET program in past years.

Economic Proposals:

14. (SBU) In anticipation that legislation to enact the Reconstruction Opportunity Zones (ROZ) will soon be introduced in the U.S. Congress, we need speedy inter-agency coordination to support ROZ development in Pakistan and Afghanistan. Details are being conveyed septel.

- Proposals for approval/action

ROZ Working Group: Appoint a lead for ROZ development to coordinate implementation and interagency actions to work with both Pakistan and Afghan embassies, congressional sponsors and interagency counterparts. Among the most important elements are:

(a) Customs harmonization and cross border coordination.

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(b) Updating the 1965 transit treaty. We need TDY help.

(c) Vocational training for sectors receiving duty-free eligibility.

(d) Improved capacity for inspections and enforcement of labor regulations, particularly to combat child labor; and

(e) Support for market outreach and trade promotion to ensure adequate investor interest, including political risk insurance and financing for small and medium businesses.

Assistance to Afghan Refugees:

15. (SBU) There are still approximately 2 million registered Afghan refugees living in Pakistan. The GOP has closed one of four existing refugee camps and is anxious to close the remaining camps which have been a breeding ground of terrorist and criminal activities. The obstacles to resolving the refugee issue continue to be weak interagency GOP organization and limited Afghan capability to absorb the returnees. This issue was discussed during the September 13 - 14, 2007 visit of Deputy Secretary Negroponte to Pakistan.

- Proposals for approval/action

(a) Through USG contributions to UNHCR, increase the incentive stipend offered to Afghan refugees for repatriation. This stipend currently is paid by UNHCR after refugees cross the border. Cost: TBD.

(b) We defer to Embassy Kabul for additional input. However, providing the GOA with funding through local NGOs to pay for houses (\$1,000 each), health clinics (\$100,000 each), or schools (\$100,000) in areas designated for returning refugees would provide an additional incentive for repatriation.

(c) Fund PRM for a multi-donor effort to hire a well-regarded retired civil servant to work with relevant GOP agencies.

This will improve inter-agency GOP coordination, which is now lacking. We expect UK support for this initiative, plus possible additional G-8 support. Cost: TBD, less than \$100,000.

FATA Development Programs:

¶6. (SBU) In the next few months, USAID will begin to implement major new programs to implement the \$750 million development FATA program. This includes job training and short-term employment, particularly for young people, and strengthening the GOP capacity to plan, manage, and deliver services and information to FATA communities. Programs to train teachers, involve private sector organizations and NGOs in improving school management and literacy training, and stimulate trade and development in border areas are ready for development. Launching them more quickly will require additional technical, contracting and administrative staff for the next 12 months for development, contracting and start-up.

- Proposals for approval/action

(a) In order for these new programs to be launched ahead of schedule USAID Pakistan needs funding for 6 new US staff and 4 new Pakistani staff:

- four additional technical staff in the area of economic growth and education,
- four contracting, financial and administrative staff,
- two project development and management staff.

Public Affairs Programs:

¶7. (SBU) In 2008, Mission Pakistan's FATA public diplomacy programs include a cross-border journalist program, a Leadership Program on conflict resolution, Pashto-language radio programming, expanded English teaching, and outreach to students for U.S. study programs. We will also work with USAID and FATA officials to build public awareness of US and GOP's commitment to FATA development. See Reftel for details

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of these programs.

- Proposals for approval/action

(a) Funding for three additional Foreign Service National (FSN) employees at Consulate Peshawar. The current limited staffing reflects our previous, more modest programming.

¶8. (C) Post appreciates Washington approval for new Embassy positions in Islamabad and Kabul to coordinate FATA and border development activities. As progress on these FATA and border projects expands rapidly in the coming months/years, local implementers will need timely support from the Washington inter-agency process. This in turn calls for counterparts in Washington to coordinate and oversee FATA programs across agencies to ensure they receive the sustained attention they need to succeed.

PATTERSON